

BEFORE  
THE PUBLIC SERVICE COMMISSION OF  
SOUTH CAROLINA  
DOCKET NO. 96-010-G - ORDER NO. 96-839 ✓  
DECEMBER 4, 1996

IN RE: Annual Review of Purchased Gas	)	ORDER APPROVING
Adjustment and Gas Purchasing	)	OUT-OF-PERIOD
Policies of South Carolina	)	ADJUSTMENT TO
Electric & Gas Company.	)	GAS COSTS

This matter comes before the Public Service Commission of South Carolina (the Commission) on the November 27, 1996 request of South Carolina Electric & Gas Company (SCE&G or the Company) for approval of an out-of-period adjustment to the Company's cost of gas.

In Order No. 96-740, dated October 25, 1996, this Commission approved a cost of gas of 42.800 cents per therm, and found that this cost should be incorporated into SCE&G's firm tariff rates through October 1997, unless an out-of-period adjustment is found necessary due to changes in the Company's gas costs. It is just such a change in the Company's gas costs that brings the Company before us, requesting an out-of-period adjustment.

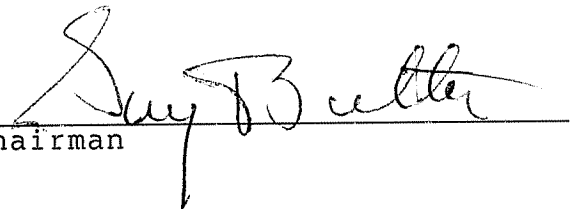
SCE&G has submitted data to us which shows a tremendous increase in its cost of gas. The Company states that, if an increase in gas cost is not approved, SCE&G would suffer an undercollection of approximately \$17 million by October, 1997.

Based upon the described changes in the cost of gas, SCE&G requests that a cost of gas of 51.260 cents per therm be approved, effective beginning with the first billing cycle for the month of December, 1996 (i.e. on and after December 4, 1996).

The Commission has examined this matter, and the Company's documents and agrees that an out-of-period adjustment is appropriate. SCE&G's projected gas costs have undergone a drastic change. We therefore approve the new gas cost rate of 51.260 cents per therm, effective on and after December 4, 1996. This rate should be incorporated in SCE&G's firm tariff rate through October 1997, unless an additional out-of-period adjustment is necessary due to an additional change in the Company's cost of gas. The Staff shall monitor this cost as per usual. Tariffs and rate schedules shall be filed within five (5) days of the receipt of this Order reflecting this change.

This Order shall remain in full force and effect until further Order of the Commission.

BY ORDER OF THE COMMISSION:

  
Chairman

ATTEST:

  
Executive Director

(SEAL)